

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

<p>In re:</p> <p>THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,</p> <p style="text-align: center;">as representative of</p> <p>THE COMMONWEALTH OF PUERTO RICO, et al.,</p> <p style="text-align: right;">Debtors.</p>	<p>PROMESA</p> <p>Title III</p> <p>No. 17-bk-3283-LTS</p> <p>(Jointly Administered)</p>
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SUMMARY SHEET

**ELEVENTH INTERIM APPLICATION OF CITIGROUP GLOBAL
MARKETS INC. FOR ALLOWANCE OF COMPENSATION FOR SERVICES
RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED AS INVESTMENT
BANKER AND FINANCIAL ADVISOR TO THE FINANCIAL OVERSIGHT
AND MANAGEMENT BOARD, FROM FEBRUARY 2021-MAY 2021**

Applicant:	Citigroup Global Markets Inc.
Authorized to Provide Services to:	The Financial Oversight and Management Board for Puerto Rico
Date of Retention:	January 27, 2017
Compensation Period:	February 1, 2021-May 31, 2021
Compensation Requested:	\$4,840,000
Expense Reimbursement Requested:	\$6,660.90
Total Requested:	\$4,846,660.90

This is a: _ monthly X interim _ final application

**SUMMARY OF TIME DETAIL FROM
COMPENSATION PERIOD IN APPENDICES A-B**

Name	Title		Hours
Core Team Serving FOMB			
Brownstein, David	Managing Director	30+	552
Gavin, John C.	Managing Director	30+	622
Cohen, Daniel	Director	30+	90
Castiglioni, James	Director	10	556
Keca, Dashmir	Assoc. Vice President	10	75
Public Side/Specialist Employees	Various	--	1400
Subtotal:			3,295
PREPA Transformation Team			
Sen, Sandip	Managing Director	30+	3.5
Chapados, Frederic	Managing Director	14	129.7
Iriarte, Joseph	Director	10	92.1
Chhabra, Saurabh	Assoc. Vice President	4	75.5
Ault, Amber	Analyst	1	121.3
Subtotal:			422.1

Total: 3,717.1

EXPENSES FROM COMPENSATION PERIOD

Category	Amount
Amini LLC	\$6,660.90

PRIOR FEE APPLICATIONS

Period Covered	Date Filed (ECF #)	Fees Requested	Expenses Requested	Order Date ECF#	Fees Allowed	Expenses Allowed
5/3/17-1/31/18	4/23/18 ECF#2944	\$625,000.00	\$60,971.21	1/30/19 ECF#4998	\$625,000.00	\$28,780.19
2/1/18-5/31/18	10/5/18 ECF#4020	\$1,803,571.43	\$40,912.98	7/24/20 ECF#13824	\$1,803,571.43	\$30,513.96
6/1/18-9/30/18	1/25/19 ECF #4897	\$1,975,000.00	\$20,450.63	12/7/20 ECF #15355	\$1,975,000.00	\$10,433.40
5/5/17-2/12/19 Re: COFINA Success Fee	6/10/19 ECF#7341	\$5,873,156.76	--	7/24/20 ECF#13824	\$5,873,156.76	--
10/1/18-1/31/19	10/9/20 ECF#14522	\$1,975,000.00	\$41,623.98	--	--	--
2/1/19-5/31/19	10/9/20 ECF#14523	\$4,300,000.00	\$26,187.61	--	--	--
6/1/19-9/30/19	3/22/21 ECF#16155	\$4,705,000.00	\$813,391.60	--	--	--
10/1/19-1/31/20	3/22/21 ECF#16156	\$4,840,000.00	\$1,206.00	--	--	--
2/1/20-5/31/20	3/22/21 ECF#16157	\$4,840,000.00	\$9,354.30	--	--	--
6/1/20-9/30/20	3/22/21 ECF#16158	\$4,840,000.00	\$7,115.40	--	--	--

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DISTRICT OF PUERTO RICO**

<p>In re:</p> <p>THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,</p> <p style="text-align: center;">as representative of</p> <p>THE COMMONWEALTH OF PUERTO RICO, et al.,</p> <p style="text-align: right;">Debtors.¹</p>	<p>PROMESA</p> <p>Title III</p> <p>No. 17-bk-3283-LTS</p> <p>(Jointly Administered)</p>
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**ELEVENTH INTERIM APPLICATION OF CITIGROUP GLOBAL
MARKETS INC. FOR ALLOWANCE OF COMPENSATION FOR SERVICES
RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED AS INVESTMENT
BANKER AND FINANCIAL ADVISOR TO THE FINANCIAL OVERSIGHT
AND MANAGEMENT BOARD, FROM FEBRUARY 2021-MAY 2021**

Citigroup Global Markets Inc. (“Citi”), investment banker and financial advisor to The Financial Oversight and Management Board for Puerto Rico (“FOMB”), as representative of the Debtors pursuant to PROMESA section 315(b), submits its eleventh interim application for allowance of compensation for services rendered from February 1, 2021-May 31, 2021 (“Compensation Period”) in the amount of \$4,840,000 and reimbursement of actual, necessary expenses incurred during such period in the amount of \$6,660.90, pursuant to PROMESA sections 316-17, Rule 2016 and P.R. LBR 2016-1, and states:

¹ The Debtors in these Title III Cases, along with the last four digits of their respective Federal Tax ID numbers, are: (i) Commonwealth of Puerto Rico (“Commonwealth”) (3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (3747).

JURISDICTION

1. The Court has subject matter jurisdiction to consider this application, pursuant to PROMESA section 306(a). Venue is proper in this district, pursuant to PROMESA section 307(a).

BACKGROUND

2. Pursuant to PROMESA section 315(b), the FOMB is the representative of each Debtor in its respective Title III case.

3. Citi is employed as investment banker and financial advisor to the FOMB, pursuant to an engagement letter, dated January 27, 2017, that was amended and restated three times, on February 13, 2018, February 16, 2019 and October 7, 2020. The engagement terms, as amended, provide for Citi to receive a fixed monthly retainer and transaction fee.²

4. Hours expended by members of Citi's core team (estimated by each of them) in providing in providing services to the FOMB during the Compensation Period are included in Appendix A. Appendix B lists hours expended by members of Citi's PREPA transformation team (estimated by each of them) during the Compensation Period.

5. Monthly invoices for services rendered on behalf of the Title III Debtors during the Compensation Period are annexed hereto as Appendix C.

6. Citi performed inter alia the following services during the Compensation Period, as is summarized below:³

² Copies of the respective engagement letters are available at <https://oversightboard.pr.gov/fomb-contracts>.

³ The summary provided herein and in the appendices to this application do not fully capture the many daily discussions Citi team members routinely have with the FOMB's executive director, in-house counsel, board members and other advisors concerning restructuring strategy, related litigation and other related aspects of Citi's PROMESA work.

FEBRUARY 2021

- Prepare for and participate in mediation sessions regarding Commonwealth Plan of Adjustment; includes both discussions with broader mediation group, FOMB and advisors, and with Commonwealth team.
- Preparation and optimization of debt structure for Commonwealth Plan of Adjustment and related debt service reserve fund.
- Review various documents and blowout materials related to Commonwealth Plan Support Agreement/Plan of Adjustment undertaken through mediation process.
- Multiple PREPA Restructuring Support Agreement strategy discussions, analysis and presentations to FOMB and its staff.
- Review and participate in calls regarding PREPA's debt and LUMA transition.
- Numerous analyses regarding Plan of Adjustment revised cash flows.
- Review and analyze ERS materials through the mediation process.
- Review, analyze and prepare numerous HTA/CCDA materials through the mediation process.
- Review First Circuit opinion regarding COFINA.
- Prepare and present materials for new board members for onboarding purposes.
- Review, analyze and present findings regarding the Commonwealth's proposed HB120.
- Review and prepare analysis regarding Commonwealth CFP debt sustainability analysis.
- Numerous presentations, meetings and related work to FOMB and its staff including strategy sessions and public board meetings.
- Aid FOMB advisors on numerous requests regarding debt and historical information.
- Aid FOMB's claims reconciliation team with numerous problem CUSIPs.
- Aid FOMB staff on various press releases and talking points related to the debt restructuring.
- Aid various FOMB advisors with debt related questions on GO, GO guaranteed, PREPA etc.

MARCH 2021

- Review various documents and materials related to Commonwealth Plan Support Agreement/Plan of Adjustment undertaken through mediation process.
- Multiple PREPA Restructuring Support Agreement strategy discussions, analysis and presentations to FOMB and its staff.
- Review and participate in calls regarding PREPA's debt and LUMA transition.
- Numerous analyses regarding Plan of Adjustment revised cash flows.
- Review and analyze ERS materials through the mediation process.
- Review and analyze PRIFA materials through the mediation process.
- Review, analyze and prepare numerous HTA/CCDA materials through the mediation process.
- Review and prepare analysis regarding Commonwealth CFP debt sustainability analysis.
- Numerous presentations, meetings and related work to FOMB and its staff including strategy sessions and public board meetings.
- Review and analyze materials regarding PRASA's debt.
- Prepare and present materials regarding historical Puerto Rico bond trading prices.
- Prepare and present materials for new board members for onboarding purposes.
- Aid FOMB advisors on numerous requests regarding debt and historical information.
- Aid FOMB's claims reconciliation team with numerous problem CUSIPs.
- Aid FOMB staff on various press releases and talking points related to the debt restructuring.
- Aid various FOMB advisors with debt related questions on GO, GO guaranteed, PREPA etc.

APRIL 2021

- Review various documents and materials related to Commonwealth Plan Support Agreement/Plan of Adjustment undertaken through mediation process.
- Multiple PREPA Restructuring Support Agreement strategy discussions, analysis and presentations to FOMB and its staff.

- Review and participate in calls regarding PREPA's debt and LUMA transition.
- Numerous analyses regarding Plan of Adjustment revised cash flows.
- Review and analyze ERS materials through the mediation process.
- Review and analyze PRIFA materials through the mediation process.
- Review, analyze and prepare numerous HTA/CCDA materials through the mediation process.
- Numerous presentations, meetings and related work to FOMB and its staff including strategy sessions and public board meetings.
- Review ARPA related impact on Commonwealth and its impact on ongoing discussions.
- Review and analyze materials regarding PRASA's debt.
- Review and common on draft fiscal plans for multiple entities.
- Aid FOMB advisors on numerous requests regarding debt and historical information.
- Aid FOMB's claims reconciliation team with numerous problem CUSIPs.
- Aid FOMB staff on various press releases and talking points related to the debt restructuring.
- Aid various FOMB advisors with debt related questions on GO, GO guaranteed, PREPA etc.

MAY 2021

- Review various documents and materials related to Commonwealth Plan Support Agreement/Plan of Adjustment undertaken through mediation process.
- Multiple PREPA Restructuring Support Agreement strategy discussions, analysis and presentations to FOMB and its staff.
- Review and participate in calls regarding PREPA's debt and LUMA transition.
- Review and analyze PRIFA materials through the mediation process.
- Review, analyze and prepare numerous HTA/CCDA materials through the mediation process.
- Numerous presentations, meetings and related work to FOMB and its staff including strategy sessions and public board meetings.

- Review and analyze materials regarding PRASA's debt.
- Review and analyze materials related to PRIDCO.
- Review and common on draft fiscal plans for multiple entities.
- Aid FOMB advisors on numerous requests regarding debt and historical information.
- Aid FOMB's claims reconciliation team with numerous problem CUSIPs.
- Aid FOMB staff on various press releases and talking points related to the debt restructuring.
- Aid various FOMB advisors with debt related questions on GO, GO guaranteed, PREPA etc.

BASIS FOR RELIEF REQUESTED

7. PROMESA section 316(a) provides that the Court “may award to a professional person employed by ... the [FOMB] (in [its] sole discretion) ... (1) reasonable compensation for actual, necessary services rendered by the professional, or attorney and by any paraprofessional employed by any such person; and (2) reimbursement for actual, necessary expenses.”

8. Pursuant to subdivision (c):

In determining the amount of reasonable compensation to be awarded to a professional person, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including—

- (1) the time spent on such services;
- (2) the rates charged for such services;
- (3) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this chapter;
- (4) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;

(5) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the restructuring field; and

(6) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title or title 11, United States Code.

9. PROMESA section 317 and the interim compensation order permit professionals to apply for allowance of compensation and reimbursement of expenses on an interim basis.

10. Each factor set forth in section 316(c) supports the allowance of the compensation sought herein on an interim basis.

(a) Time spent on services rendered. Citi devoted considerable time to services provided on behalf of the FOMB during the Compensation Period, as is summarized on the prefixed Summary Sheet. Significantly, there has been virtually no turnover among the Citi senior executives leading this engagement; and so, relatively little of that time has been devoted to bringing professionals up to speed on this complex engagement.

(b) Fees charged. As set forth in the Leffler Certification (defined below), the fees charged for this engagement are consistent with those customarily employed by Citi in other municipal restructuring engagements.

(c) Whether Services were necessary or beneficial. The services rendered were necessary to the administration of these Title III cases, and beneficial when rendered. The FOMB engaged Citi for the express purpose of providing these services.

(d) Timeliness of services rendered. No issue has been raised concerning the timeliness of services rendered by Citi.

(e) Restructuring Experience. Citi has a wealth of municipal restructuring experience. Citi is one of the largest municipal securities dealers in the United States, and has

played an active role nearly in most major municipal restructurings in the United States for at least the past two decades. It was extremely well versed with complex issues facing the Debtors long before commencing this engagement.

11. The certification required by Rule 2016 and P.R. LBR 2016-1(a)(4) is annexed hereto as Appendix D (“Leffler Certification”).

NO PRIOR REQUEST

12. No prior request for the relief sought herein has been made to the Court or to any other court.

WHEREFORE, Citi requests an order allowing interim compensation for services rendered during the Compensation Period in the amount of \$4,840,000 and reimbursement of expenses incurred during such period in the amount of \$6,660.90 and granting such other and further relief as the Court deems just and proper.

Dated: March 10, 2022

Respectfully submitted,

/s/ Mike Leffler
Mike Leffler
Managing Director
Citigroup Global Markets Inc.

Prepared by:

/s/ Jeffrey Chubak

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